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August 29, 2003

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To: Community Care for the Aged And Disabled (CCAD)
Day Activity and Health Services (DAHS) Providers

Subject: Long Term Care (LTC)
Information Letter No. 03-17
Fiscal Year 2004 Reimbursement Rates for Day Activity and Health
Services (DAHS)

The Health and Human Services Commission (HHSC) approved rate changes for Day Activity and Health Services (DAHS) providers effective September 1, 2003. The new rates are included on the attached Reimbursement Rate chart.

The proposed state fiscal year (SFY) 2004 and 2005 payment rates (effective September 1, 2003 and September 1, 2004) incorporate provisions in House Bill (HB) 1 regarding the appropriations for community programs for SFY 2004 and 2005 and HHSC Appropriations Rider 46. HHSC Appropriations Rider 46 requires that reductions to any long term care budget strategy shall be calculated without rebasing of current reimbursement rates and shall be shared equally across all Medicaid providers funded by the strategy. As a result, proposed payment rates for community-based programs have been reduced by 1.1 percent. To achieve the 1.1 percent reduction in the Attendant Compensation Rate Enhancement add-on rates, each level of enhanced add-on is reduced by an amount as close to 1.1 percent as possible while still rounding to whole cents. This results in enhanced rate level 1 being \$0.04 higher than the prior level for SFY 2004 and 2005, instead of \$0.05 as in the current rate structure.

The Attendant Compensation Rate Enhancement was established in response to the General Appropriations Act, HB 1 of the 76th Legislature to incentivize contracted providers to increase wages and benefits for community care attendants. The agency rules for the Attendant Compensation Rate Enhancement can be found in Title 1 of the Texas Administrative Code (TAC) §355.112 and 40 TAC §20.112. Contracted providers who choose to participate in the Attendant Compensation Rate Enhancement and receive the additional funds must demonstrate compliance with enhanced wage and benefit spending requirements.

In order to stay within appropriated funds, the enhancement enrollment has been cancelled for State Fiscal Year 2004. If funding becomes available, providers will have the opportunity to participate in the subsequent open enrollment period.

All claims for services delivered before September 1, 2003 will be processed using the old payment rates. Claims submitted by the provider for any services delivered on or after September 1, 2003 should be prepared using the new rates.

Please contact Alisa Jacquet at (512) 685-3129 if you have any questions regarding the Attendant Compensation Rate Enhancement. Please call your contract manager if you have any other questions. Contract Managers should contact Sarah Hambrick at (512) 438-2578 if they have any questions.

Sincerely,

Signature on file

Becky Beechinor
Assistant Deputy Commissioner
Long Term Care Services

BB:ck

Attachment

Day Activity and Health Services
Payment Rates Effective September 1, 2003

Participation Status	Rate
Nonparticipant	\$13.05
Participant - Level 1	\$13.09
Participant - Level 2	\$13.14
Participant - Level 3	\$13.19
Participant - Level 4	\$13.24
Participant - Level 5	\$13.29
Participant - Level 6	\$13.34
Participant - Level 7	\$13.39
Participant - Level 8	\$13.44
Participant - Level 9	\$13.49
Participant - Level 10	\$13.54
Participant - Level 11	\$13.59
Participant - Level 12	\$13.64
Participant - Level 13	\$13.69
Participant - Level 14	\$13.74
Participant - Level 15	\$13.79
Participant - Level 16	\$13.84
Participant - Level 17	\$13.89
Participant - Level 18	\$13.94
Participant - Level 19	\$13.99
Participant - Level 20	\$14.04